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*****~~C O N F I D E N T I A L~~*****E COPY

#7

OP IMMED
DE RUEBBA #8154 2841610
O 101603Z OCT 80
FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC IMMEDIATE 7695
THE WHITE HOUSE IMMEDIATE

INFO AMEMBASSY ASUNCION 5231
AMEMBASSY BRASILIA 4323
AMEMBASSY CARACAS 4611
AMEMBASSY LA PAZ 4068
AMEMBASSY LIMA 3718
AMEMBASSY MONTEVIDEO 6800
AMEMBASSY SANTIAGO 4966

~~C O N F I D E N T I A L~~ SECTION 1 OF 2 BUENOS AIRES 8154

~~EXDIS~~

DEPT. PLEASE REPEAT USCINSCO FOR INTAFF
EO 12065: RDS-4 10/8/96 (RUSER, CLAUS W.) OR-M
TAGS: AR

SUBJECT: DELIVERY OF PRESIDENTIAL MESSAGE

REF: (A) WHITE HOUSE 7397 (NOTAL); (B) BUENOS AIRES 8098 (NOTEL);
(C) BUENOS AIRES 7652 (NOTAL)

1. C - ENTIRE TEXT.

2. CHARGE DELIVERED PRESIDENT'S LETTER TO GENERAL VIOLA OCTOBER 8 (REF A). GENERAL VIOLA EXPRESSED HIS PROFOUND APPRECIATION FOR THE PRESIDENT'S THOUGHTS. HE STATED THAT HE WOULD OF COURSE BE REPLYING IN WRITING. IN THE MEANTIME HE WOULD WISH TO SAY THAT HE FULLY RECIPROCATED THE PRESIDENT'S BELIEF IN THE IMPORTANCE OF STRENGTHENING US-ARGENTINE RELATIONS. "MY GOVERNMENT", HE SAID, "WILL SEEK TO MAKE US-ARGENTINE RELATIONS AS PRODUCTIVE AS POSSIBLE." HE RETURNED TO THIS THEME AT VARIOUS POINTS IN THE CONVERSATION STATING, FOR EXAMPLE, THAT IT IS HIS BELIEF THAT THE CURRENT ISSUES BETWEEN ARGENTINA, WHICH IN AN EARLIER MEETING HE HAD ENUMERATED AS BEING BOLIVIA, GRAINS, HUMAN RIGHTS AND NUCLEAR MATTERS, ARE THE PRODUCT OF PRESENT CIRCUMSTANCES AND WILL "ONE WAY OR ANOTHER" BE RESOLVED. THERE WERE NO DIFFERENCES ON BASIC INTERESTS. HE SAID, ALSO, THAT HONESTY AND FRANKNESS

*****WHSR COMMENT*****

ZB AAR DEN VP
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WERE REQUIRED FOR THE RELATIONSHIP TO PROSPER.

3. VIOLA, AS USUAL OPEN AND ACCESSIBLE, MADE IT CLEAR THAT HE WANTED TO USE THE MEETING TO EXPLORE OTHER MATTERS --IN EFFECT HE SAID "ASK ME QUESTIONS." THE CHARGE INQUIRED WHAT GENERAL VIOLA SAW AS THE AGENDA FOR HIS GOVERNMENT. VIOLA RESPONDED BY LISTING WHAT HE CALLED THE "PROBLEMS". GIVEN TO SCHEMATIC RESPONSES, HE STATED THAT THE FIRST PRIORITY WAS IN THE POLITICAL AREA WHERE THE GOVERNMENT WOULD HAVE TO PRODUCE LEGISLATION THAT WILL ALLOW THE POLITICAL PARTIES TO RENEW THEIR LEADERSHIP AND "FUNCTION NORMALLY." IN THE ECONOMIC AREA, HE SAID, THE FIRST PRIORITY WAS TO REVITALIZE THE ECONOMY, "BOTH INDUSTRY AND AGRICULTURE." IN THE SOCIAL AREA, HE SAID IT WAS NECESSARY TO CORRECT THE IMPRESSION THAT THE GOVERNMENT WAS ESSENTIALLY OPPOSED TO THE BROAD INTERESTS OF MOST ARGENTINES. HE SUGGESTED THAT THIS COULD BE ACCOMPLISHED BY EFFECTIVELY IMPLEMENTING THE LABOR REFORM LEGISLATION AND INSTITUTING OTHER, UNDEFINED, MEASURES IN THE SOCIAL FIELD. VIOLA STOPPED WITH THESE PRIORITIES. BUT WHEN QUERIED ON FOREIGN POLICY ISSUES HE SAID THAT HIS GOVERNMENT HAS FOUR OBJECTIVES: TO INCREASE THE "PRESENCE" OF ARGENTINA IN THE SOUTHERN CONE (HE HASTENED TO ADD THAT THE COUNTRY WAS NOT SEEKING REGIONAL HEGEMONY); TO REBUILD ARGENTINA'S TIES TO THE ANDEAN PACT; TO REPAIR AND EXPAND RELATIONS WITH WESTERN EUROPE; AND TO RESTORE AND STRENGTHEN RELATIONS WITH THE UNITED STATES.

4. VIOLA THEN TOOK THE OPPORTUNITY TO SPELL OUT SOME OF HIS THOUGHTS ON THE MILITARY GOVERNMENT'S BASIC GOALS. HE SAID THAT THE MILITARY TOOK OVER IN 1976 WITH ONE OBJECTIVE: TO LAY THE FOUNDATIONS FOR A SECURE AND GENUINE DEMOCRACY. THE MILITARY WANTED TO FINALLY END THE CYCLE IN WHICH INEFFECTIVE AND UNSTABLE DEMOCRATIC GOVERNMENTS ALTERNATE WITH MILITARY REGIMES. GETTING THE MILITARY PERMANENTLY OUT OF THIS GAME BY BUILDING A HEALTHY DEMOCRACY WAS STILL THE MILITARY'S OBJECTIVE AND ONE THAT HIS GOVERNMENT WOULD FAITHFULLY PURSUE, HE SAID.

5. THESE THOUGHTS LED TO A QUESTION ON PERONISM BY THE CHARGE. VIOLA SAID THAT HE AND HIS COLLEAGUES DID NOT WANT TO LEAVE POWER KNOWING THAT IN FIVE TO TEN YEARS THE COUNTRY WOULD AGAIN BE FACED WITH THE OPTIONS IF
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OP IMMED
DE RUESBA #8154 2841615
C 101603Z OCT 80
FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC IMMEDIATE 7696
THE WHITE HOUSE IMMEDIATE

INFO AMEMBASSY ASUNCION 5232
AMEMBASSY BRASILIA 4324
AMEMBASSY CARACAS 4612
AMEMBASSY LA PAZ 4069
AMEMBASSY LIMA 3719
AMEMBASSY MONTEVIDEO 6801
AMEMBASSY SANTIAGO 4967

~~C O N F I D E N T I A L~~ SECTION 2 OF 2 BUENOS AIRES 8154

~~EXDIS-~~

DEPT. PLEASE REPEAT USCINSCO FOR INTAFF
HAS HAD SINCE 1946--PERONISM AND ANTI-PERONISM. STATING
THAT HE WAS CHOOSING HIS WORDS WITH GREAT CARE BECAUSE
THE SUBJECT IS A PARTICULARLY SENSITIVE ONE, VIOLA SAID
THAT THERE IS NO DOUBT THAT EVEN TODAY PERONISM IS A
MAJORITY. PERONIST SENTIMENT RUNS DEEP AND STRONG IN
ARGENTINA. BUT PERONISM HAD BEEN CONSTRUCTED AROUND A
LEADER AND LACKED A WELL DEFINED IDEOLOGICAL BASE; THE
MOVEMENT NOW NO LONGER HAD SUCH LEADERSHIP. THE PROBLEM
FOR THE MILITARY WAS HOW TO SHAPE THIS FORCE TO DEMO-
CRATIC PURPOSES. HAVING RAISED THE ISSUE, HOWEVER,
VIOLA DID NOT OFFER A CLEAR SOLUTION. HE SUGGESTED THAT
ON THE ONE HAND IT MIGHT BE POSSIBLE TO CREATE "AN
ALTERNATIVE" WHICH WOULD APPEAL TO SOME SECTORS OF PERON-
ISM. HE ALSO SAID THAT EFFECTIVE LEGISLATION ON PARTY
ORGANIZATION COULD HELP SHAPE PERONISM TO DEMOCRACY. IN
DISCUSSING THE POLITICAL FUTURE, VIOLA SEEMED TO DISMISS
THE POSSIBILITY OF FORMING AN OFFICIAL PARTY FOR EVENTUAL
ELECTIONS. AT LEAST THAT APPEARS TO BE THE IMPORT OF HIS
REMARK THAT IT WAS "TOO LATE" TO FOLLOW THE POLITICAL
PATH TAKEN BY THE BRAZILIAN MILITARY IN STRUCTURING THAT
COUNTRY'S PARTY LIFE. VIOLA SAID THAT "IF WE WERE GO-
ING TO DO WHAT THE BRAZILIANS DID, WE SHOULD HAVE
STARTED FIVES YEARS AGO."

6. IN RESPONSE TO A QUESTION, VIOLA ELABORATED ON THE

ECONOMIC ISSUES. HE SAID THAT HE SEES NO CONTRADICTION BETWEEN POLICIES TO FIGHT INFLATION AND POLICIES TO PROMOTE ECONOMIC GROWTH. THE TWO GO TOGETHER. HE ADDED THAT IN HIS VIEW IT WAS VIRTUALLY IMPOSSIBLE TO HAVE POLITICAL STABILITY IN A COUNTRY THAT IS UNDERGOING LONG TERM RECESSION. HE SAID THAT HE PERSONALLY FAVORED THE POLICY OF TRIMMING BACK THE PUBLIC SECTOR'S PARTICIPATION IN THE ECONOMY. HE SAID THAT PARTICIPATION IS DIVIDED INTO THREE AREAS: INFRASTRUCTURE (TELEPHONES, ELECTRICITY, WATER, ETC.); STRATEGIC INDUSTRIES (FABRICACIONES MILITARES, THE STEEL INDUSTRY); AND INDUSTRIES AND OPERATIONS WHICH THE STATE TOOK OVER IN THE PAST FOR "SOCIAL OR POLITICAL" REASONS. THIS LAST GROUP COULD BE SPUN OFF IMMEDIATELY. THE STRATEGIC INDUSTRIES WERE "COMPLICATED" AND THERE WAS LITTLE POSSIBILITY THAT THEY COULD BE TURNED OVER TO THE PRIVATE SECTOR. WATER, GAS, TELEPHONES AND THE LIKE COULD BE TURNED BACK IF INVESTORS COULD BE FOUND WHO WOULD BUY THEM OUT. THE PROBLEM WAS TO FIND INVESTORS, HE SAID.

7. OTHER SUBJECTS DISCUSSED WERE:

A. VIOLA'S TRIP TO THE UNITED STATES. VIOLA STATED THAT NO FINAL DECISION HAD BEEN MADE FOR HIS TRIP TO THE UNITED STATES AND EUROPE. HE SAID THAT "IF" HE SHOULD TRAVEL IT WOULD BE AT THE END OF NOVEMBER OR EARLY DECEMBER. HE SAID HE APPRECIATED THE EMBASSY'S OFFER TO HELP WITH ANY ARRANGEMENTS. AS HIS OWN PLANS DEVELOPED HE WOULD BE BACK IN TOUCH ON THIS SUBJECT. VIOLA THEN SAID THAT IN ANY CASE HE WOULD TRAVEL TO WASHINGTON IN A PRIVATE CAPACITY AIMING AT BETTER RELATIONS WITH THE US.

B. THE OASGA: THE CHARGE SAID THAT AMBASSADOR ROS AND HE ON MONDAY HAD DISCUSSED THE ISSUE OF THE IAHRC REPORT AT THE OASGA. THE CHARGE NOTED THAT IT SEEMED POSSIBLE, AS ROS HAD POINTED OUT, DIFFERENCES THAT BETWEEN THE US AND ARGENTINA ON THIS ISSUE WOULD ADVERSELY AFFECT THE CLIMATE FOR GENERAL VIOLA'S TRIP TO WASHINGTON. VIOLA STATED THAT HE HAD TAKEN UP THIS ISSUE WITH PRESIDENT VIDELA FOLLOWING THE CHARGE'S LAST MEETING WITH HIM (REF C). HE SAID THAT THIS WAS AN ISSUE FOR VIDELA, AND GAVE NO FURTHER INDICATION THAT HE INTENDED TO INVOLVE HIMSELF IN THE MATTER ONE WAY OR ANOTHER.

RUSER
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